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SUMMARY OF ACTION

1st Meeting - 18 October 1951

25X1A9A Elected John S. Warner Chairman and [ ] Secretary. Agreed to consider hazardous duty pay for Training (Reference: Memorandum entitled "Hazardous Duty Pay for CIA Civilians" and dated 18 September 1951 to Joint Training Committee from Assistant Director of Training (Covert)). Also agreed to establish an agenda.

2nd Meeting - 25 October 1951

Prepared an agenda for study of career benefits to CIA employees. (See Tab B). Agreed that Agenda should be presented to Career Service Committee for approval as being representative of type and scope of problems for study, the solution of which would provide a useful and proper part of a career service program. Further agreed that province of Group would be limited to that of broad policy with consideration for practical aspects and that a recommendation should be made which would provide for implementation of these policies by an operating activity.

3rd Meeting - 1 November 1951

Agenda reported approved by Career Service Committee. Discussed in detail hazardous duty pay, and it was agreed to accept Military Services system of compensation as basis around which discussion of CIA problems in this field could be studied. It appeared that the Military Service Hazardous Duty pay structure could be made applicable once a modification could be worked out providing for hazardous, as well as extra-hazardous, duty categories of compensation.

4th Meeting - 8 November 1951

25X1A9A [ ] Deputy Training (Covert) was present to furnish more detailed information concerning current Training Office problems arising out of Agency jump-training activities. Group recommended certain principles and requested the Secretary to prepare a memo for action by the DCI. Discussed other aspects of hazardous duty pay.

5th Meeting - 16 November 1951

Discussed best method of obtaining implementation of recommendations agreed upon with respect to Parachute Pay, and it was agreed to send a memorandum from Group to Career Service Committee outlining the recommendations in general terms and requesting that action be initiated

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toward having appropriate regulations amended to reflect intent of recommendations. Memo prepared, dated 19 November 1951, to Career Service Committee from Working Group (See Tab I). Working Group recommended that Career Service Committee request General Counsel's office to review S. 1820 relating to "Missing Persons", and if it was considered adequate for CIA purposes to support its passage.

6th Meeting - 29 November 1951

Drafted memo from Working Group to Career Service Committee - subject - Continuance of Pay and Allowance (S. 1820). (See Tab J). Objects to be obtained by Career Service Structure were agreed as follows:

1. Discipline and control of personnel necessary for flexibility to meet rapidly changing situations.
2. Stability of personnel.
3. Esprit de Corps.
4. Career retirement plan.
5. Wage and pay schedule on a long range career basis.
6. A reserve to be called upon in case of need.
7. Legislative confirmation of existence.
8. Acceptance of the philosophy that in CIA responsibility should be vested in the individual rather than the position.

Agreed that a study of career structure plans of Armed Forces, Foreign Service, Public Health and other "commissioned services" to be made by  and an outline of proposed plan for a career structure for CIA to be prepared and brought before Working Group for consideration.

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7th Meeting - 6 December 1951

Reported that Working Group's recommendations on hazardous pay (forwarded to Career Service Committee on 19 Nov. 1951) reviewed by Senior Review Committee and referred to Director of Training for further review to insure that all phases of hazardous duty associated with Training activities are included in study and recommendations. Career Service Committee requested that Working Group restudy Bill S. 1820 with view to providing specific recommendations on revisions of bill as now proposed which would more clearly provide for the solution of Agency problems in handling affairs of employees who are lost in performance of official duties. Chairman of Working Group agreed to report on specific objections to bill that have been raised by General Accounting Officer. Balance of meeting devoted to discussion of possibilities of applying different classification principles and schedules.

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8th Meeting - 13 December 1951

Summary of Proceedings of Working Group on Career Benefits was prepared at request of Career Service Committee. (See Tab K). Re report on objections to S. 1820 raised by General Accounting Office, it was noted that further progress in obtaining information on these objections cannot be obtained until Congress resumes session after first of year. Concurred in establishment of a Task Force to assist Sub-Committee of Working Group in assembly of pertinent information on career systems of the Armed Forces, Foreign Service, Public Health, etc. Members are:

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[redacted]. Agreed on need for a definition of Agency extra-hazardous-duty categories, applicable to Agency operations, and particularly those limited categories of extra-hazardous duty for which there are precedents established by law, plus certain types of extra-hazardous duty unique within CIA field of operations. Covert office representatives requested to assemble categories applicable to their office operations.

9th Meeting - 20 December 1951

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Copy of [redacted] presented. This sets forth information concerning War Agencies Employees' Protective Association Life Insurance. Had been referred to Career Service Committee by Advisor for Management, where it had been further referred to Working Group on Benefits for proper action. Working Group concurred that matter was essentially administrative in character and was not properly a part of Benefits Working Group Agenda. Matter so endorsed to Executive Secretary. Discussion of types of extra-hazardous duty, which were suggested by representative of OPC and which warrant consideration.

10th Meeting - 27 December 1951

Career Service Committee requested list of benefits which was prepared. (See Tab L). Executive Secretary of Career Service Committee indicated concern over progress that Working Group has made to date in finalizing its recommendations on benefits under Career Service for Agency. Possible solution for increasing productiveness of Working Group suggested to be that of retaining group to give full time to formalization of Working Group's recommendations, or, secondly, that a new Working Group be constituted and charged with responsibility for recommendations under Item II of Agenda.

11th Meeting - 3 January 1952

Agreed that prior to next meeting, Sub-Group studying agenda, Item II, to arrange meeting with Task Force for purpose of preparing material for presentation to Working Group. Discussed specific listings of hazardous duty pay and prepared list for circulation to OSO and OPC which later adopted.

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## 12th Meeting - 10 January 1952

Working Group agreed to some changes in the paper concerning pay for various types of hazardous duty as outlined previously. Results of study by Career Service Committee of Working Group's activity status report (dated 29 Dec. 1951, entitled "Tentative Listing of Benefits Considered Desirable for CIA Employees") presented, and Committee asked that Working Group give particular attention to those career benefits which can be instituted upon approval of DCI and without additional legislation. Also requested that first priority be given by Working Group to Items a, h, and i of list. Status to be determined of a personnel-office study of health insurance programs for Agency personnel. Suggested that this study may provide basis for inclusion of health insurance as one of items in a career benefits program for Agency. Agreed that reports submitted from Task Force concerning "Benefit Provisions of Various Career Systems" to be made part of files pending reopening of study of Agenda Item II. (See Tab M).

## 13th Meeting - 17 January 1952

Executive Secretary, Career Service Committee, requested to forward to Committee a revised listing of suggestions concerning pay for various types of hazardous duty. Memorandum presented from Executive Secretary, Career Service Committee, dated 17 January on subject of disability compensation, in which the Career Service Committee requested the Working Group to study and develop information concerning disability benefits similar to those offered by Army to uniformed personnel for service-incurred disabilities. A review of benefits available to governmental employees under terms of Compensation Act of 1916 and amendments thereto of 1949 was presented, giving emphasis to disability benefits. A paper setting forth disability benefits available to governmental employees under Compensation Act, as opposed to those available to Armed Service personnel was to be prepared and forwarded to Career Service Committee for use in briefing Director of Personnel and Director of CIA concerning these benefits. Discussion of health insurance. Agreed that representative of Board of Directors of GEHA should be invited to the next meeting of the Working Group.

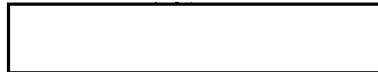
## 14th Meeting - 24 January 1952

Reported that revised listing of suggestions concerning pay for various types of hazardous duty forwarded to Career Service Committee. Requested that copies of Status Report containing this listing be prepared and furnished each member of Working Group. Agreed to preparation of memorandum to Board of Directors of Health Association, subject to review by Career Service Committee, providing a formal statement of the Working Group's interest in career benefit aspects of any health insurance program adopted

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by the Board. To streamline Working Group action on Agenda items now under consideration, following sub-committees appointed:

1. Sub-committee on Meritorious Awards
2. Sub-committee on Post Differentials
3. Sub-committee on Health Benefits

Report received from Operating Divisions giving their response to questionnaire calling for suggestions and recommendations concerning pay for various types of hazardous duty. Working Group concurred in requesting Chairman to transmit listing covering pay for various types of hazardous duty. Further suggested that Career Service Committee submit these recommendations to other interested offices within CIA prior to final action on matter by Career Service Committee.

15th Meeting - 31 January 1952

Memorandum to Career Service Committee from Working Group for forwarding to GEHA dated 25 January 1952 on subject of Health Insurance Benefits approved by Committee. (See Tab N). Memorandum entitled "Health Insurance and Medical Benefits" discussed, and it was agreed by Committee that it should be expanded for presentation to GEHA group which will be discussing health benefits with an insurance consultant who is joining CIA. Summarization of Comparative Disability Benefits available to military and civilian personnel submitted by General Counsel's Office. To be discussed later.

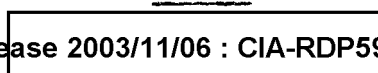
16th Meeting - 7 February 1952

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[redacted] of Medical Staff present and offered comments and suggestions on proposed improved health insurance benefits plan prepared by Sub-Committee on Health Benefits [redacted]. It was agreed that this plan, as presently written, should be forwarded to Board of Directors of GEHA with a transmittal memorandum explaining that the plan was merely a proposal which, while having considerable merit, was not to be considered the final recommendation of the Working Group. (See Tab O). Memorandum presented to Working Group addressed to Career Service Committee enclosing the recommendations concerning pay of various types of hazardous duty. Members to notify Chairman by telephone if memorandum acceptable so that it may be forwarded as soon as possible. (See Tab C). Tab E to Progress Report, which was submitted by Career Service Committee to DCI, presented to Committee. Attached to Tab E was copy of Working Group's recommendations concerning additional pay for various types of hazardous duty. Meritorious awards system proposal submitted in form of CIA regulation. To be duplicated and sent to members of Working Group for study. Was announced that Career Service Committee expected to wind up its activities as of 1 March 1952. Therefore, necessary for all

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working groups to render a final report as of 22 February. Those items requiring legislative action were exempted. It was agreed that at next meeting Chairman is to advise concerning remaining work to be done. In addition, Working Group to have made available to it proposed outline of final report which will be prepared by Chairman and distributed prior to next meeting.

#### 17th Meeting - 14 February 1952

Chairman advised paper covering recommendations on hazardous duty benefits forwarded to Career Service Committee. Draft presented by Chairman of proposed legislation to amend further the Missing Persons Act suggesting that Working Group recommend CIA support of Dept. of Defense, and he was requested to prepare and forward appropriate recommendations for such support to Career Service Committee. (See Tab H). Report of sub-group on Awards Benefits Program presented. Suggested that material be rearranged to provide for separation of meritorious and efficiency awards, standards, procedures and administration. Chairman requested to prepare statement covering recommendations for additional legislation to preserve all existing means and provide higher standards for coverage of service-incurred disabilities for all Agency employees. Discussion of recommendations concerning a CIA overseas post classification system providing benefits responsible to unhealthful conditions. Paper to be prepared reflecting these views for concurrence by Group. Memorandum to be prepared covering this subject.

#### 18th Meeting - 15 February 1952

Working Group concurred, subject to slight revision, that the general form of proposed outline of final report of Working Group on Career Benefits was acceptable. Recommendations covering benefits under an improved Group Health Insurance Program for Agency Personnel to be prepared for final approval. (See Tab F). Recommendations recorded for changes of conference report of Working Group on the Rotation and Personnel Development Program regarding composition and responsibility of Career Service Boards. Certain suggested changes recorded in letter declaration of intent proposed for use in appointment of personnel to Career Services. Paper presented on a CIA overseas post classification system. Recommendations presented for additional benefits under Compensation Act which were to be revised further.

#### 19th Meeting - 19 February 1952

Meritorious award paper presented by [ ] was approved and forwarded to the Career Service Committee. (See Tab D). There was also approved a paper pertaining to overseas post classification system where unhealthful conditions exist. (See Tab E). The paper concerning liberalization of eligibility for disability benefits was presented

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and approved. (See Tab G). Suggestions relating to sabbatical leave and transfers of all careerists to unvouchered funds were considered, and it was decided no action was to be taken. Various work assignments were made with respect to preparation of the final report. Those papers are due 21 February in 25 copies.

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C O P Y

29 October 1951

B

AGENDA

Working Group on CAREER BENEFITS

- I. Hazardous duty benefits.
  - A. Increase in base salary for service involving unusual hardship and hazard.
  - B. Extension of the authority contained in Confidential Funds Regulations, authorizing pay, within grade advances, and grade promotions for individuals who are detained involuntarily to include those employees paid from vouchered funds.
  - C. Application of United States Employees Compensation Act to dependents of employees engaged in hazardous duties who are themselves exposed to hazard.
  - D. Death gratuity of six months' base pay to dependents of CIA employees whose death occurs in line of duty while serving abroad.
  - E. Consideration of retirement benefits.
- II. Consideration of the adoption of new classification and salary schedules in lieu of the present policy which follows provisions of the Classification Act of 1949 and allowances for overseas service.
- III. The equitable application of leave to all classes of employees.
- IV. Career benefits inherent in the recognition of distinguished service to the Agency.

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February 1952

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TO: Career Service Committee

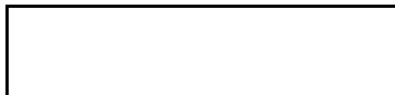
FROM: Working Group on Career Benefits

SUBJECT: Recommendations Concerning Pay for Various Types  
of Hazardous Duty

1. Attached hereto is a series of recommendations by this Working Group establishing the principles under which additional pay for hazardous duty would be paid. A suggested list made by this Working Group was circulated to the area divisions of OSO and OPC. Certain of their comments were incorporated in the present list. The list of suggestions was not circulated to the other offices of CIA.

2. It is recommended that the Career Service Committee approve the statement of principles pertaining to hazardous duty and forward it to the office of Organization and Methods Service with the request that appropriate Agency regulations be drafted. Since changes would be involved in the Confidential Funds Regulations, the matter necessarily would require the approval of the DCI. Therefore, it is suggested that the statement of principles regarding hazardous duty pay with your approval, if given, not be forwarded for approval of the DCI until the regulations have been written. In this manner, one package could be presented to the DCI for his approval.

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Working Group on CAREER BENEFITS

Recommendations Concerning Pay for Various Types  
of Hazardous Duty

1. Pilots or crew members of air travel or gliders should not receive extra pay for performing pilot or crew duties as such. However, pilots, including members and passengers who participate in aerial flight over areas which have been designated as hostile by the Director, Central Intelligence Agency, should receive extra compensation of \$50 for each trip. A similar amount should be paid to employees who enter such areas by any other means of transportation. In no case should employees receive extra compensation exceeding 50 per cent of base pay in any given month.

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7. Certain hazardous-duty categories provided for by law have been eliminated from this list by the Working Group on the premise that position classification will compensate for these hazards.

8. Adequate administrative procedures should be established which will assure proper qualification and certification of employees eligible for extra pay under various categories of hazardous duty.

9. It was the consensus that employees should receive extra pay on the basis of any combination of the above categories, except that in no case should the total extra pay for hazardous duty exceed 50 per cent of the employee's base salary.

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21 February 1952

MEMORANDUM TO: Executive Secretary/Career Service Committee  
FROM : Secretary, Working Group on Benefits  
SUBJECT : Honor and Incentive Awards Program.

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25X1 1. Attached find two copies of a proposed revision of CIA Regulation [redacted] covering the Agency Awards Program which has been prepared and approved by the Working Group on Benefits.

2. It is requested that this proposal be forwarded to the Career Service Committee for review.

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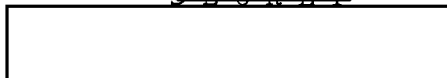
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15 February 1952

TO: Career Service Committee  
FROM: Working Group on Career Benefits  
SUBJECT: Overseas Post Classification System

1. The purpose of this memorandum is to submit recommendations concerning a CIA overseas post classification system providing benefits responsive to unhealthful conditions.

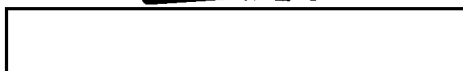
2. The Agency follows the post classification system of the Department of State at present. Where an area is not covered by this system, the Director of Personnel, CIA, is empowered to establish the post class.

3. The Department of State system provides for the payment of a percentage of the base salary in addition to the base salary to persons assigned to designated "hardship posts". The percentage or "post differential" may vary with the location but may not exceed 25% of the base salary. It is also provided that in addition to the post differential, an employee may be credited with time-and-one-half towards retirement while at the "hardship post". It is believed the Agency should accept the Department of State's choice of "hardship posts" for those areas covered by its system. The Director of Personnel, CIA, may identify "hardship posts" not covered in the State system and allow such benefits as are reasonable.

4. It is recommended that:

- a. The Agency continue to follow the Department of State system.
- b. The Director of Personnel, CIA, continue the exercise of his powers as in the past.
- c. The Director of Personnel, with the advice and assistance of ADSO, ADPC and ADOO, establish an Agency policy regarding the length of assignment in unhealthful posts, giving regard to the probable deterioration of health. This determination to be made without reference to the salary differential or possible accelerated retirement credit.
- d. The Director of Personnel explore the advisability of providing for a system of election by personnel being assigned to hardship posts carrying a post differential between the receipt of the differential or a proportionate accelerated retirement credit.

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Career Service Committee

19 February 1952

Working Group on Career Benefits

Health Insurance and Medical Benefits

1. This Working Group has addressed itself to the subject of Health Insurance and Medical Benefits with the intent of recommending benefits primarily for members of the "Career Development Program." This is based on the belief that the Agency must provide specific advantages to members of this program over and above those inherent in a well-managed Personnel Program, and available to the balance of CIA employees.

2. The Working Group considered complete medical care and hospitalization for CIA career employees and their dependents similar to the medical care given members of the Armed Services. As no precedent exists for providing such care to civilians, and as legislation would be required for its adoption by the Agency it was deemed impractical of further consideration at this time. However, the Working Group recommends that after the career program has been in operation for some time, the Agency examine the desirability and practicality of providing full medical care and hospitalization for CIA career employees and their dependents.

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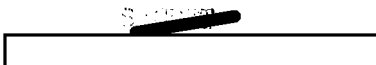
3. After considering all of the above factors, the Working Group recommends:

a. The continuation of health insurance along the lines of Government Employees Health Association, or Group Hospitalization Insurance, for all CIA employees. However, it believes that more liberal benefits at substantially the same premiums should be provided, rather than pay the present substantial profit to the Mutual Benefit Health & Accident Association of Omaha. (Tab I attached). This is attainable without legislation and could be put in operation immediately by providing sufficient unvouchered Agency funds to capitalize GEHA.

b. The provision of additional health benefits for individuals who sign up for the Career Development Program. This might include such items as:

- (1) Medical coverage under a health insurance plan.
- (2) Out-patient care.
- (3) Additional increases in the services and allowances listed in Tab I.

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c. The provision by the Medical Office of a complete annual physical examination for each member of the Career Development Program. Where possible, local examination should be given to members who are away from Washington for extended periods. Where this is not possible, these members should be examined as soon as they return to an area where examining facilities exist. This is probably attainable without legislation.

5. The Working Group is aware that the above recommendations provide only the framework of a plan to which careful consideration and study must be given by the appropriate Agency officials having available to them actuarial experience to put this plan on a sound footing.

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TAB **I**

After considering the present GEHA plan, it is recommended that in all categories the available benefits be approximately doubled with no additional premium cost. Specifically the benefits would be as follows:

I. HOSPITAL BENEFITS

- A. In lieu of the present \$6.00 per day for a maximum of 31 days, the benefit would be \$12.00 per day for a maximum of 31 days.
- B. The hospital extras which are authorized by GEHA for payment up to \$30.00 would become \$60.00, or the actual cost thereof with no limitation if this were deemed feasible.
- C. The present maternity benefits with respect to hospitalization provide for \$6.00 per day, not to exceed 14 days. It is recommended that this be changed to \$12.00 per day for 7 days, except that if additional complications occur, documented by the attending physician, requiring further hospitalization, the benefits available under (A) would apply.
- D. The additional maternity benefits to be authorized hereunder are similar to the hospital extras under (B), and the same recommendation applies.

II. MEMBER AND DEPENDENT SURGICAL BENEFITS

The Working Group felt that as an ultimate goal, it would be desirable if the actual costs for surgical fees could be afforded as a benefit with possible modifications, such as paying a percentage of actual costs or having the employee pay an initial flat amount prior to any benefits from the fund. Since experience factors are not available, this was not deemed feasible at the present time. In lieu of such ultimate benefits, the Working Group recommends that each reimbursement for surgical fees stated in the present GEHA plan be doubled. It is believed that the experience factor to date will warrant such benefits. It is recognized, of course, that the entire list of operations should be scrutinized by medical personnel since a doubled reimbursement would not necessarily be appropriate in all cases.

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### III. SURGICAL FEES FOR MATERNITY

It is recommended that each of the fees specified to be reimbursable be doubled.

### IV. BENEFITS FOR DEPENDENTS

The benefits specified under this heading are similar to those already listed under surgical benefits, and the recommendations thereunder apply here.

### V.

There should be developed within GEHA a procedure whereby advance payments could be made to avoid the hardship on employees of necessarily paying the hospital and doctor prior to receiving reimbursement from GEHA.

### VI.

The Working Group considered the matter of reimbursement for out-patient fees. While it is recognized that this would be desirable, it is believed that this matter should be postponed for study at a later date.

### VII.

The Working Group recommended that in addition to all other benefits there be provided reimbursement for drugs and medicine which were prescribed by the attending physician for any one illness. The amount payable would be any charges for such drugs and medicine in excess of \$25.00.

### VIII.

The matter of benefits for dental service was considered. The Working Group recommends that no action be taken at this time.

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19 February 1952

TO : CAREER SERVICE COMMITTEE

FROM : WORKING GROUP, CAREER BENEFITS

SUBJECT: Disability Compensation

1. By memorandum, dated 17 January 1952, the Career Service Committee requested this Working Group to study and develop the desire expressed by the DCI "to afford overseas Agency employees disability benefits similar to those offered by the Army to uniformed personnel for service incurred disabilities." For the further guidance of the Working Group, the minutes of the DCI Staff Conference of 10 December 1951 reflect this matter in the following language:

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"\*\*\*, the Director indicated that CIA personnel abroad who became disabled in line of duty should be taken care of, as they would be were they in the military service. In response to a question from the Director, [ ] indicated that no legislation was needed at present to accomplish this. In answer to a question from [ ] the Director indicated that this should apply where the disability was incurred in line of duty whether or not it resulted from enemy action."

2. In order that this subject could be examined in a light of benefits afforded to civilian employees of the Government as compared to those of the Army, a study has been made entitled "Comparative Disability Benefits - Military and Civilian Personnel". A copy of that study is attached for information. That study concluded with the summarization that in general the civilian employee and his dependents are better protected when the disability can be traced as having occurred as a result of performance of duties in his employment. On the other hand, military personnel are in a more advantageous position in view of the fact that eligibility for disability benefits need not be as a result of performance of duties in Government service.

3. The matter of medical care and hospitalization has not been discussed in full detail in connection with this study. In view of the language in P.L. 110, which was lifted from the Foreign Service Act, medical costs resulting from temporary illnesses and injuries while abroad can be handled on a somewhat more liberal standard than would be applicable under the Federal Employees Compensation Act. That language is as follows:

"In the event of

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"In the event of illness or injury requiring hospitalization of an officer or full time employee of the Agency, not the result of vicious habits, intemperance, or misconduct on his part, incurred in the line of duty while such person is assigned abroad, pay for the cost of the treatment of such illness or injury at a suitable hospital or clinic."

4. The Working Group on Career Benefits has examined the military and civilian systems in the light of the Director's indication of the desired policy. It is believed that the demands to be placed on CIA careerists, including the concept of full 24 hour duty status, warrant special consideration in the field of disability benefits. Consistent with this 24 hour duty concept, it is pertinent to record the opinion of this Group that all provision for overtime compensation should be eliminated for the CIA careerist. Therefore, it is recommended that:

appropriate legislation be prepared which would permit participants in the Career Development Program to be eligible for the benefits provided under the Compensation Act in accordance with the more liberal standards of eligibility authorized under the military systems.

Such legislation should be designed to work within the framework of existing laws and should be so worded as not to impose inadvertent additional restrictions. This recommendation recognizes that full attainment of this objective can be secured only through the passage of additional legislation.

a. Since participants in the Career Development Program will have signified their intention to make CIA their career and will accept assignments in the United States or abroad, as the needs of the Agency dictate, this program would be a substantial contribution to the career benefits toward which the prospective careerist could look.

5. The Working Group is cognizant of certain factors which could be considered as disadvantages or arguments against adopting the recommended program. They could be listed as follows:

a. Approximately two years ago the Congress considered the subject of disability compensation for civilian employees and greatly liberalized the basic statute, the Federal Employees Compensation Act. Since our employees are basically of the same nature as the other civilian employees, though there are some distinctions, it is not believed appropriate to request the Congress to enact such a broad program of disability coverage for such a small portion of civilian employees.

b. There is no precedent under U.S. laws for such a program covering civilian Government employees.

c. It is not

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c. It is not appropriate that the U.S. Government should award disability benefits to civilian employees where the disability in no way is related to performance of duties. It is possible that the request for such a program could ultimately redound to the detriment of CIA through adverse reaction to the proposal within the Bureau of the Budget, the committees of Congress, and other agencies and departments of the Government.

d. An improved group health insurance program could go a long way toward alleviating the hardships which individuals may suffer as a result of medical and hospitalization costs incurred for illnesses and injuries not connected with service for the U.S. Government.

6. The Working Group with full awareness of the above listed arguments nevertheless recommends for the approval of the Career Service Committee and the DCI that

participants in the Career Development Program be afforded the benefits provided under the Compensation Act in accordance with the standards of eligibility authorized for military personnel.

This program should be considered as the ultimate objective for CIA. However, recognizing that it may not be attainable immediately, it is recommended that appropriate steps be taken to improve the coverage under the present system.

a. In certain situations the requirements of proof of disability resulting from performance of duty would not permit coverage by the Compensation Act. Such cases might include heart trouble, ulcers, or psychopathic resulting from overwork, strain and nervous tension at least traceable to work requirements. Therefore, it might be desirable to establish by law a presumption of such disabilities having occurred in the performance of duty, rather than requiring proof that they so occurred.

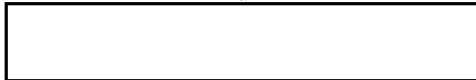
7. In view of the factors listed in Paragraph 5 above, the Chairman does not concur fully in the recommendation of the Working Group. The program recommended as an ultimate objective for CIA should not, in his opinion, be adopted by CIA with the resulting action to secure such a program. However, the Chairman does concur fully in the position that CIA should take additional steps to improve the present system wherein it is possible that the types of cases listed would not be covered by the Compensation Act. It is believed that all such cases which could be traced directly or indirectly to the unusual working requirements of CIA should be covered with respect to disability compensation.

8. Admittedly, this subject is one of a complex nature involving the application of various laws to even more varied factual situations. Therefore,

it is anticipated

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it is anticipated that a great deal of study should be given the problem prior to drafting of legislation. However, the plan recommended by the Working Group is forwarded for your consideration and approval.

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COMPARATIVE DISABILITY BENEFITS -- MILITARY AND CIVILIAN PERSONNEL

1. This analysis is complicated by the multitude of diverse benefits accruing to military personnel depending upon many factors--length of service, rank, reserve or regular status, age, etc. Consequently, only examples of limited factual situations which may help to illustrate a general comparison are given.

2. Civilian employees of CIA are entitled to the death and disability benefits of the Federal Employees' Compensation Act, generally considered the most generous system yet devised. The category of included personnel is very broad and probably includes some of our agents as well as staff employees. The following is a list of some of the salient benefits provided under the Act:

(a) All personal injuries received at work and diseases proximately caused by the employment are covered.

(b) All medical expenses, including hospitalization, are paid by the Government without cost to the employee.

(c) An employee is paid for his loss of wages while disabled at a rate of  $\frac{2}{3}$ 's of his salary if he has no dependents, and  $\frac{3}{4}$ 's of his salary if he has one or more dependents.

(d) If the employee suffers total permanent disability, he will receive the above percentage of his wages for the remainder of his life.

(e) If the employee suffers a permanent partial injury, he will receive in addition to any payment for periods of temporary disability due to the same accident, a cash award proportionate to the degree of injury (calculated in terms of weeks).

(f) The employee who is permanently disabled is entitled to vocational rehabilitation at the expense of the Government.

(g) If the employee is killed, his family receives \$400.00 for burial expenses and the expense of transporting the body from his official station to his home is borne by the Government.

(h) The widow of the deceased employee receives 45% of his monthly pay until she dies or remarries. This award is increased by 15% for each child, unmarried, and under eighteen years of age, to a maximum of 75% for all dependents.

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3. The primary distinction between benefits accruing to the civilian employee and those to the career member of the armed forces is that the latter is not confined to receiving benefits for disability incurred in the line of duty. The serviceman receives the benefits of the temporary disability retired list unless his disability resulted from intentional misconduct, willful negligence, or while he was unlawfully away from his post of duty. If he is killed while in service, his dependents will not be put to the burden of establishing the death resulted from a hazard incident to the work. The law presumes that a person who dies in the active military service, dies in the line of duty and not as a result of his own misconduct. The civilian's dependents receive no such presumptive benefits where the death occurs off the official premises and outside the normal working day.

4. The dependents of a serviceman, who is killed, whether or not in the line of duty, receives the proceeds of a \$10,000 life insurance policy which the serviceman may carry at ~~no~~ cost to himself. This is over and above all other statutory benefits to the dependents and is not received by the dependents of civilian personnel. However, the civilian employee of this Agency may protect his dependents to even a greater extent (\$27,000 for accidental death) at a nominal cost (\$8.33 a month at age 30) with the WAEPA policy.

Another benefit to the dependents of a serviceman is the gratuity pay of six months salary received upon the serviceman's death, to which the dependents of a civilian employee are not entitled.

5. Military personnel who are found unfit by reason of physical disability for active duty may be placed on the temporary disability retired list for a period up to five years and receive compensation during this period whether or not the disability was related directly to their duty. While on the temporary disability list they receive an amount equal to the monthly basic pay of the rank held at the time they are put on the disability list, multiplied by  $2\frac{1}{2}\%$  per year of active service, with a maximum of 75% and a minimum of 50%, regardless of length of service.

If the officer is retired for physical disability in excess of 30% and contracted in the line of duty, he receives the disability percentage of his base pay (not to exceed 75%). This is calculated in much the same manner as the civilian employee's disability annuity, and carries the same top limit.

6. For the purpose of comparison, a civilian employee at a grade of GS-11, and an Army Captain are generally considered to be on a somewhat equal level although the former will draw more of his benefits in the form of salary; the latter will receive less in salary and more in allowances. The Captain with ten years service will receive a base salary of approximately \$370 a month, the GS-11, with equal service, nearly \$500 a month. Some comparisons if both are disabled or killed overseas:

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a. Both will receive, if injured while in the line of duty, full medical care at no cost to themselves while they are hospitalized pending determination of their ability to return to duty. The Captain will receive full pay and allowances. The civilian employee may elect to exhaust first his sick and annual leave. If his disability is prolonged and his leave is exhausted he will receive from the Bureau two-thirds ( $2/3$ ) of his basic pay plus allowances if he is single; three fourths ( $3/4$ ) if he is married.

b. If both are temporarily injured out of the line of duty, or inflicted with a non-duty disease, the Captain will receive his full salary while recovering. As far as the Federal Employees' Compensation Act is concerned, the civilian will be thrown on his own resources unless the relationship between the injury and line of duty is doubtful, in which case he may be granted preliminary and emergency treatment until the relationship is clarified. The employee of this Agency may obtain a limited protection against the non-duty accident medical costs through the Government Employees' Health Association for a premium of \$1.60 per month.

c. If both are unable to return to work due to their disability, the Captain will be placed on the Temporary Disability Retired List and receive a pension based upon the degree of disability. If the disability is 100%, he will receive 75% of his base salary (\$277) if the injury was or aggravated in service. The civilian employee (with dependents) will receive approximately \$375 a month and obviously will be "better off." This is because the Captain's allowances are not reflected in his base salary for retirement purposes. However, if the Captain is forced to retire for non-service incurred disability (in the same sense of civilian "non-service incurred"), he will receive the full \$277 for a 100% disability. The civilian employee will receive nothing under the Federal Employees' Compensation Act but will receive 15% of his basic salary (\$75 a month) from the Civil Service Retirement System.

d. If both employees are killed in line of duty (with the military officer holding the distinct advantage in the concept of what constitutes line of duty), the Captain's dependents will receive:

1. the proceeds of a \$10,000 insurance policy which he may have at no cost to himself.
2. a death gratuity payment of \$2,200.
3. a small widow's and dependent children's pension of some \$50 to \$90 a month.

The dependents of the civilian employee with a wife and two children will receive from the Bureau of Employees' Compensation nearly \$375 a month (75% of his base salary). Obviously the picture is much rosier for the civilian's dependents. But if the GS-11 were killed in an accident unrelated to duty, his dependents would receive only a small annuity from the Civil Service Retirement System.



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7. Military personnel receive a related benefit in the form of free medical care for their dependents which does not accrue to the civilian employee. However, this would be more appropriately considered in a broad comparison of benefits and disadvantages of civilian versus military status than in the analysis at hand.

8. In summary it may be said that the civilian employee and his dependents are better protected when the disability may be traced to the employment. The serviceman stands at advantage when the disability is difficult or impossible to relate to the job.

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COMPARATIVE BENEFITS TO SELF OR DEPENDENTS

<u>Fact Situation</u>	<u>GS-11, 3 Dependents, 10 Years Service, \$495 Mo.</u>	<u>Army Captain, 3 Depend- ents, 10 Years Service, \$370 Mo.</u>
1. Temporarily Injured or Diseased in Line of Duty	Full Medical Care \$375 a month	Full Medical Care Full Pay and Allowances
2. Temporarily Injured or Diseased - non-duty	Pays own Medical Costs No income after sick and annual leave exhausted	Full Medical Care Full Pay and Allowances
3. Permanently 100% Dis- abled - Duty Connected	Continued Medical Care \$375 a Month for life or Until Rehabilitation Rehabilitation Costs Paid	Continued Medical Care \$275 a Month for life or Until Rehabilitated
4. Permanently Disabled - Non-duty	Pays own Medical Costs \$75 a Month from C. S. Retirement Board	Continued Medical Care \$277 a Month for Life
5. Killed in Duty	\$375 a Month until children reach majority, reduced to \$225 for wife alone	Proceeds of \$10,000 In- surance \$2200 Death Gratuity Widow's Pension \$92 a Month until children reach majority, reduced to \$60 for wife alone
6. Killed, non-duty	\$75 a Month from C. S. Retirement Board	Proceeds of \$10,000 In- surance \$2200 Death Gratuity Widow's Pension \$92 a Month until children reach majority, reduced to \$60 for wife alone

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TO : Career Service Committee

FROM : Working Group, Career Benefits

SUBJECT: Continuance of Pay and Allowances

15 February 1952

1. This group in its Agenda, dated 29 October 1951, approved by your Committee, included as Item B the following:

Extension of the authority contained in Confidential Funds Regulations, authorizing pay, within grade advances, and grade promotions for individuals who are detained involuntarily to include those employees paid from unvouchered funds.

Subsequently, the Working Group forwarded S. 1820 relating to missing persons with a recommendation that if the General Counsel's office considered the Bill adequate for CIA purposes it be supported. However, your Committee requested further study of the Bill with the view to providing specific recommendations on revisions of it which would more clearly provide for the solution of Agency problems in this connection.

2. It has been learned informally that the General Accounting Office in its report to the Committee considering S. 1820 has raised a number of substantive objections. Since the Committee report has not been issued, the details of the General Accounting Office's objections and the Committee's attitude are not officially available.

3. Within the Department of Defense Legislative Program for 1952, which has been approved by the Bureau of the Budget, there is included a proposal to revise the Missing Persons Act. The proposal would provide permanent authority for heads of Governmental departments to continue payment of pay and allowances of civilian personnel during periods of absence from their post of duty in a casualty or missing status, to initiate and discontinue allowances of dependents of such personnel, and to make presumptive findings of death and other determinations under appropriate circumstances. The present proposal also accomplishes other minor perfecting revisions to the present Missing Persons Act.

4. It is the opinion of this Working Group that the Department of Defense proposal would adequately fulfill CIA needs. Therefore, it is believed appropriate that the Career Service Committee should recommend to the DCI that CIA support the Defense Department Bill either by joining with Defense in its support, or by indicating to the Committee considering the matter that CIA supports the Defense Bill, or both. If support of the Bill is approved as a matter of policy, the specific task of making

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representations should be assigned to the Office of General Counsel. Such action would be in lieu of any further action with respect to S. 1820.

5. For your information, there is attached the Department of Defense letter to the Speaker of the House which enclosed the proposed Bill.

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DRAFT

Missing Persons Act,  
General Revision - OSD #1-  
ABJ/71291/auj

Dear Mr. Speaker:

There is forwarded herewith a draft of proposed legislation "To amend the Missing Persons Act, as amended".

This proposal is a part of the Department of Defense Legislative Program for 1952 and it has been approved by the Bureau of the Budget. The Department of Defense recommends that it be enacted by the Congress.

#### Purpose of the Legislation

The present proposal would revise the Missing Persons Act, as amended (50 U.S.C. App. 1001 et seq.), and would provide permanent authority for executive heads of military and other Governmental departments to continue payment of the pay and allowances of military and civilian personnel during periods of absence from their posts of duty in a casualty or missing status, to initiate and discontinue allowances of dependents of such personnel, and to make presumptive findings of death and other determinations under appropriate circumstances.

At the outbreak of hostilities in World War II there was no law which authorized the services to make adequate provision for the dependents of certain categories of persons who for various causes were placed in a missing status. The lack of such legislation during the early months of that emergency not only subjected the dependents to realistic hardship but also confronted the military services with many administrative problems in an attempt adequately and equitably to minister to their needs.

In order to correct this condition the Congress enacted the Missing Persons Act of March 7, 1942 (56 Stat. 141), and the services operated under that law until it was abrogated by Section 3 of the Act of July 25, 1947 (61 Stat. 451). It was realized, however, that there was a continued need for legislation of this type because of the mounting tension throughout the world and the increasing number of international incidents which involved mysterious disappearances or detention of individuals at the will of an unfriendly power or hostile minority; large numbers of civilians as well as military personnel continued to serve within or in the near vicinity of those troubled areas.

Consequently, such legislation was revived by subsection 4 (e) of the Selective Service Act of 1948 (62 Stat. 608). In enacting the Universal Military Training and Service Act, Public Law 51, 82nd Congress (which is in fact an amendment to the Selective Service Act of 1948), the Congress made no change in subsection 4 (e), supra. It is believed that legislation of this type is necessary to meet the present demands of the international situation and would be essential immediately in the event of war; and that such legislation should be of a permanent nature, because the present Act will expire one year subsequent to the ratification of treaties with Germany, Italy and Japan. It is highly essential that we at this time safeguard for the future.

DRAFT

The attached draft of bill is designed to accomplish the following purposes:

- a. To amend subsection 1 (a) (3) of the Missing Persons Act, as amended, in order to assure coverage of the persons employed within the continental United States when their casualty status arises out of performance of duty; to provide that full coverage on a twenty-four hour basis is retained for those employees in overseas areas who are residents of the area and have been placed in a hazardous position by virtue of living there solely for employment purposes; to provide such coverage regardless of whether the employees are full-time, part-time, temporary or intermittent; and to provide that natives or residents of overseas locations are excluded from benefits of the Act unless there was a direct connection between their casualty status and their employment.
- b. To amend Section 12 of the Act to authorize the movement of household goods and personal effects, including privately owned automobiles, of individuals who come within the provisions of the Act, but who have no dependents.
- c. To amend Section 15 of the Act to eliminate reference to its termination date, thereby creating permanent legislation.
- d. To add a new Section 20 to the Act so as to authorize the use of appropriations currently available in the settlement of any claims, rather than the utilization of appropriations retroactively to the year in which the claim originated.

#### Legislative References

There has been no related legislation before the Congress, except H.R. 1199, which became Public Law 131, 82nd Congress. That law amended Section 12 of the Missing Persons Act so as to authorize the transportation of household goods and personal effects, including automobiles, belong to personnel in a missing status, such transportation to be made upon the approved application of a dependent. Section 12, if amended as proposed by the attached draft of bill, would authorize such transportation in cases where the member had no dependents.

#### Cost and Budget Data

Enactment of the proposed legislation would result in the relatively negligible expenditure of public funds during peacetime. It would be most conjectural to approximate the fiscal effects during a period of war.

#### Department of Defense Action Agency

The Department of the Army has been designated as the representative of the Department of Defense for this legislation.

Sincerely,

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Missing Persons Act,  
General Revision - OSD #42

D R A F T

A BILL

To amend the Missing Persons Act, as amended.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Missing Persons Act (56 Stat. 143), as amended (50 U.S.C. App. 1001 et seq.), is further amended by changing subsection (a) (3) of section 1 thereof to read as follows:

"(3) civilian officers and employees of the departments, except that persons employed within the continental limits of the United States and persons who are residents of their places of employment in the territories and possessions or in foreign countries shall be included only upon a determination by the head of the department concerned that the status of missing, missing in action, interned in a neutral country, captured by an enemy, beleaguered or besieged, within the meaning of section 2 of this Act, was the proximate result of employment by the department."

SEC. 2. That section 12 of such Act as amended, is further amended to read as follows:

"The dependents and household and personal effects of any person in active service (without regard to pay grade) who is officially reported as dead, injured, missing for a period of 30 days or more, interned in a neutral country, or captured by the enemy, may be moved (including packing and unpacking of household effects) to the official residence of record for any such person, or, upon application by such dependents, to such other location as may be determined in advance or subsequently approved by the head of the department concerned or by such persons as he may



designate. The cost of such transportation, including packing and unpacking of household effects, shall be charged against appropriations currently available. In lieu of transportation authorized by this section for dependents, the head of the department concerned may authorize the payment in money of amounts equal to such commercial transportation costs for the whole or such part of travel for which transportation in kind is not furnished, when such travel shall have been completed. When the person is in an "injured" status, the movement of dependents or household and personal effects provided for herein may be authorized only in cases where the anticipated period of hospitalization or treatment will be of prolonged duration. No transportation shall be authorized pursuant to this section upon application by dependents unless a reasonable relationship exists between the condition and circumstances of the dependents and the destination to which transportation is requested. Beginning June 25, 1950, and for the purposes of this section only, the terms "household and personal effects" and "household effects" may include, in addition to other authorized weight allowances, not to exceed one privately owned motor vehicle, shipment of which at Government expense is authorized in those cases where the vehicle is located outside the continental limits of the United States or in Alaska."

SEC. 3. That section 15 of such Act is amended to read as follows:

"SEC 15. This Act, except sections 13, 16, 17, and 18, shall be effective from September 8, 1939."

SEC. 4. That such Act is amended by adding at the end thereof a new section to read as follows:

"SEC 20. Any payments made under the provision of this Act are authorized to be paid from appropriations currently available."

SEC. 5. The foregoing amendments shall be effective from the date of approval of this Act.

Next 1 Page(s) In Document Exempt

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29 November 1951

MEMORANDUM FOR: Chairman, Career Service Committee

FROM : Working Group on Career Benefits

SUBJECT : Continuance of Pay and Allowance

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1. Item I B of the Agenda of this Working Group, dated 29 October, 1951, relates to extension of the authority, presently contained in paragraph [redacted] Regulations, which applies provisions of the Missing Persons Act to CIA staff employees and staff agents. That Act generally provides for the continuation of normal pay and allowances where an employee is interned, missing, beleaguered, besieged, etc. There are further provisions relating to procedures whereby a status of missing, or other type of status, can be continued or terminated. The Act provides for determination by the head of the agency concerned that the individual is dead. During the period of such status, for example, the dependents of the individual may continue to receive an appropriate amount for their needs from the salary normally due to the individual.

2. The benefits of this Act are applied only to staff employees and staff agents of CIA who are paid from unvouchered funds. It is believed that the desirability and justification for such authority are quite obvious. However, it is the opinion of this Group that, through an appropriate method, the benefits of such Act, or similar provisions, be made available to all employees of CIA. In addition to providing for equitable treatment of various employees of CIA, statutory authorization of this type enables many administrative obstacles to be overcome. For example, the law provides for a determination of death by the head of the agency concerned, which normally would be acceptable for other legal purposes, such as settling the estate of the individual.

3. The Working Group discussed S. 1820, which was introduced by Mr. Johnston of South Carolina to accomplish substantially the same purpose as the provisions of the original Missing Persons Act, which will expire as a wartime statute upon ratification by the Senate of the Japanese Peace Treaty. It has been learned that both the Civil Service Commission and the General Accounting Office have certain objections to the Bill in its present form. This Group believes that the general purposes of the proposed Bill would substantially accomplish the objectives indicated above. Therefore, it is recommended that CIA support S. 1820. It is evident that the progress of the Bill will have to be followed carefully in order to insure that probable revisions will maintain it consistent with CIA objectives. It would appear appropriate, if CIA takes this position, that responsibility for action should be placed on the General Counsel's office for following the Bill and

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informing the appropriate Congressional Committees of CIA support for the provisions of the Bill.

4. In view of the above, this Working Group believes that no further action is necessary on Item E of the Agenda of this Working Group.

JOHN S. WARNER  
Chairman

OGC/JSW/mm/McD

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~~SECRET~~ CAREER BENEFITS III-1

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III Working Group on CAREER BENEFITS

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OSO  
OPC  
COLLMO (Secretary)

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Personnel  
General Counsel (Chairman)

(8 meetings have been held and the following summary is complete through 14 December 1951)

1. An agenda has been adopted, arranged in numerical order of priority for study, to provide a structure around which the problem of career benefits to CIA employees can be most advantageously studied, as follows:

I. Hazardous duty benefits.

- A. Increase in base salary for service involving unusual hardship and hazard.
- B. Extension of the authority contained in Confidential Funds Regulations, authorizing pay, within grade advances, and grade promotions for individuals who are detained involuntarily to include those employees paid from vouchered funds.
- C. Application of United States Employees Compensation Act to dependents of employees engaged in hazardous duties who are themselves exposed to hazard.
- D. Death gratuity of six months' base pay to dependents of CIA employees whose death occurs in line of duty while serving abroad.
- E. Consideration of retirement benefits.

- II. Consideration of the adoption of new classification and salary schedules in lieu of the present policy which follows provisions of the Classification Act of 1949 and allowances for overseas service.

- III. The equitable application of leave to all classes of employees.

- IV. Career benefits inherent in the recognition of distinguished service to the Agency.

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CAREER BENEFITS III-2

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- [REDACTED]
2. By Memorandum to Career Service Committee, dated 19 November 1951, re "Parachute Pay for Staff Employees and Staff Agents," the Working Group recommended that parachute pay for appropriate trainees is necessary and desirable and presented six broad principles for consideration, with the recognition that such principles would require approval of the DCI and that detailed regulations necessarily must be devised upon such approval. The principal document of reference considered by the Working Group pertaining to this subject is the Memorandum from the Assistant Director of Training (Covert) to the Joint Training Committee, dated 18 September 1951.

Note: The problem was referred by the Career Service Committee to the Senior Review Committee for approval of regulations to be drafted by the Advisor for Management. The Senior Review Committee was convened on 30 November 1951 and after full discussion referred the problem back to the Career Service Committee for inclusion of other types of hazardous duty pay encountered in training situations. This being an operating problem of the Office of Training, the Committee asked that Office to handle directly with the DD/A (Special) henceforth. - [REDACTED]

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3. By Memorandum to Chairman, Career Service Committee, dated 29 November 1951, re "Continuance of Pay and Allowances", the Working Group suggested that, through an appropriate method, the benefits of the Missing Persons Act, or similar provisions, be made available to all employees of CIA. Along this same line is to be considered a bill pending before Congress, S. 1820, which is to accomplish the same purposes of the Missing Persons Act, which will expire as a wartime statute upon ratification by the Senate of the Japanese Peace Treaty. Recommendation was made that CIA support S. 1820. Since it is obvious that the progress of the Bill will have to be followed carefully in order to insure that probable revisions will maintain it consistent with CIA objectives, it was further suggested that such responsibility for action be placed on the General Counsel's Office (for following the Bill and informing the appropriate Congressional Committees of CIA support for the provisions of the Bill).

CAREER BENEFITS III-3

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4. In connection with the overall task of the Working Group ("Consideration of the adoption of new classification and salary schedules in lieu of the present policy which follows provisions of the Classification Act of 1949...."), [ ] presented his views on the need for some kind of "Commissioned Service", perhaps along the lines of the State Department's Foreign Service, within the CIA. Following are some objectives which would be attained by such career structure.

- a) Discipline and control of personnel necessary for flexibility to meet rapidly changing situations.
- b) Stability of personnel.
- c) Esprit de Corps
- d) Career retirement plan.
- e) Wage and Pay schedule on a long range career basis.
- f) A Reserve to be called upon in case of need.
- g) Legislative confirmation of existence.
- h) Acceptance of the philosophy that in CIA, responsibility should be vested in the individual rather than the position.

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After much discussion, it was agreed that [ ] and [ ] will study the career structure plans of the Armed Forces, Foreign Service, Public Health and other "commissioned services" and, after such study, will prepare an outline to be brought before the Working Group for discussion in the near future.

/s/ John S. Warner

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TENTATIVE LISTING  
BENEFITS CONSIDERED DESIRABLE FOR CIA EMPLOYEES

1. Following is a tentative listing of the benefits considered desirable for CIA employees:

- (a) Additional pay for service involving unusual hardship and hazard.
- (b) Extension of the authority contained in Confidential Funds Regulations authorizing pay, within-grade advances, and grade promotions for individuals who are detained involuntarily to include those employees paid from vouchered funds.
- (c) Applications of the principles of the United States Employees' Compensation Act to dependents of employees engaged in hazardous duties who are themselves exposed to hazard.
- (c) Death gratuity of six months' base pay to dependents of CIA employees whose death occurs in line of duty while serving overseas. Final concurrence in this item will be subject to clarification and further definition of the term "line of duty".
- (e) A more liberal retirement system.
- (f) At the present time, tentative recommendations concerning the adoption of a new or modified personnel management system in lieu of the present system, which follows provisions of the Classification Act of 1949, cannot be made pending analysis of the material on Commissioned Services now in preparation by a Task Force.

Also, there will be a considerable amount of time required for the assembly of specific reasons for change from the present system.

(g) An appropriate and adequate leave system for all overseas employees.

(h) A meritorious award system should be devised which will provide for recognition of distinguished service to the Agency, as well as for new and more efficient administrative procedures. Such awards may be medals, monetary, documentary, or a combination of all three.

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(1) Establishment of a CIA overseas post classifications system providing for area hardship posts, particularly where additional medical benefits may be desirable because of the nature of such a post. Benefits under a post classification system may also be provided in the form of varying lengths of tours of duty.

2. The Working Group concurs that none of the above tentatively listed benefits can be accomplished through the issuance of administrative regulations without approval by the Director, Central Intelligence Agency.

3. An item-for-item description of the action necessary to implement benefits listed under paragraph 1 as follows:

(a) Item 1 (a) may be implemented with approval of the DCI.

(b) Item 1 (b) will require legislative action prior to implementation.

(c) Item 1 (c) may require legislative action but can be implemented under unvouchered funds with approval of the DCI. Such authority is lacking as it pertains to the handling of vouchered funds. It is, therefore, recommended that this item be handled as a legislative matter in order to clarify the Director's authority.

(d) Item 1 (d) is subject to the same conditions as set forth for Item 3 (c).

(e) Item 1 (e) will require legislative action.

(f) Item 1 (f) concerns the possibility of new personnel management systems. Abandonment of the present policy, following provisions of the Classification Act of 1949 can be accomplished with approval of the DCI. However, it must be pointed out that the Director has written agreements between this Agency and the following Agencies providing for use of the Classification Act: Civil Service Commission, General Accounting Office, Bureau of the Budget, and various committees in Congress. The net result of these agreements indicates a need for legislative action where any major change from the present system is deemed advisable. However, certain modifications can be made on the basis of present authority of the DCI.

(g) Item 1 (g) will require legislative action.

(h) Item 1 (h) can be implemented with approval of the DCI, depending upon the nature of the benefits.

(i) Item 1 (i) may be implemented with approval of the DCI, depending upon the benefits.

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10 January 1952

MEMORANDUM FOR: Sub-Committee on Career Systems,  
Working Group on Career Benefits

FROM : Task Force

SUBJECT : Preliminary Report, "Benefit Provisions of  
Various Career Systems"

1. Attached hereto is a preliminary report setting forth research to date on the provisions made in various services covering certain career benefits.

2. The material contained in this report does not represent completed research either as to benefit categories or as to particular services, and will require considerable further work in order to meet the requirements of the Sub-Committee.

3. The term "All Services" as used in Attachment A refers to the Army, Air Force, Navy, Marine Corps, Coast Guard, Coast and Geodetic Survey, and Public Health Service, but does not include the Foreign Service of the United States.

ATTACHMENTS: A. Report, "Benefit Provisions of Various  
Career Systems"  
B. "Benefit Provisions of the Foreign Service  
and Public Health Service"

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**BENEFIT PROVISIONS OF VARIOUS  
CAREER SYSTEMS**

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**I. Basic Pay**

- a. All Services
- b. Army & Navy Nurses' Base Pay
- c. Army & Navy Retirement Pay - Nurses
- d. Navy, Marines, Coast Guard and Army Warrant Officers  
Base Pay and Allowances.
- e. Marine Band

**II. Basic Allowances**

- 1. Quarters
  - a. All services
  - b. Army, Navy, Marines, Coast Guard
- 2. Nurses Allowances
  - a. Army and Navy
- 3. Subsistence
  - a. All services

**III. Special Pays**

- 1. Hazardous duty
  - a. All services
- 2. Flight Pay
  - a. Army, Navy, Marines, Coast Guard
  - b. All services
- 3. Retirement pay or retired pay
  - a. All services
- 4. Diving duty
  - a. All services
- 5. Sea and foreign duty
  - a. All services

6. Qualification pays

- a. Army
- b. Army, Navy, Marines, Coast Guard

7. Re-enlistment pays

- a. All services

8. Physicians and dentists

- a. All services

IV. Special Allowances

1. Personal money allowance

2. Dependents quarters allowances (all services)

3. Clothing allowance

4. Enlistment allowance

5. Re-enlistment allowance

6. Travel and Transportation allowances

VII. Death Benefits

- a. Army

XIX. Prestige Factors

XX. Reserve System

BENEFIT PROVISIONS OF VARIOUS CAREER SYSTEMSI. BASIC PAYa. All ServicesRANK AND GRADE

For basic pay purposes, commissioned officers are hereby assigned by the rank or grade in which serving, whether under temporary or permanent appointment, to the various pay grades prescribed for commissioned officers, as follows:

Pay Grade	Army, Air Force, Marine Corps & Coast & Geodetic Survey	Navy, Coast Guard	Public Health Service				
O-8 . . . .	General, Lt. General, Major General	Admiral, Vice Adm, & Rear Adm. (Upper half)	Surgeon General, deputy surgeon, & asst surgeon general having rank of major general.				
O-7 . . . .	Brigadier General	Rear Admiral (lower half) and commodore.	As.t. Surgeon gen. having rank of Brig. General.				
O-6 . . . .	Colonel	Captain	Director grade.				
O-5 . . . .	Lieutenant Colonel	Commander	Senior grade.				
O-4 . . . .	Major	Lt. Commander	Full grade				
O-3 . . . .	Captain	Lieutenant	Senior asst. grade.				
O-2 . . . .	First Lieutenant	Lieutenant (Jr.Gr.)	Assistant grade.				
O-1 . . . .	Second Lieutenant	Ensign	Jr. Asst. grade.				
PAY GRADE CUMULATIVE YEARS OF SERVICE							
	Under 2	Over 2	Over 4	Over 6	Over 8	Over 10	Over 12
O-8	926.25	926.25	926.25	926.25	926.25	926.25	926.25
O-7	769.50	769.50	769.50	769.50	769.50	769.50	769.50
O-6	570.00	570.00	570.00	570.00	570.00	570.00	570.00
O-5	456.00	456.00	456.00	456.00	456.00	456.00	456.00
O-4	384.75	384.75	384.75	384.75	399.00	413.25	427.50
O-3	313.50	313.50	327.75	342.00	356.25	370.50	384.75
O-2	249.38	263.63	277.88	292.13	306.38	320.63	334.88
O-1	213.75	228.00	242.25	256.50	270.75	285.00	299.25
WARRANT OFFICERS							
W-4	320.10	320.10	320.10	334.65	349.20	363.75	378.30
W-3	291.00	291.00	291.00	298.28	305.55	312.83	320.10
W-2	254.63	254.63	254.63	254.63	261.90	269.18	276.45
W-1	210.98	210.98	210.98	218.25	225.53	232.80	240.08

PAY GRADE	CUMULATIVE YEARS OF SERVICE					
	Under 2	Over 2	Over 4	Over 6	Over 8	Over 10
ENLISTED PERSONS						
E-7	198.45	198.45	205.80	213.15	220.50	227.85
E-6	169.05	169.05	176.40	183.75	191.10	198.45
E-5	139.65	147.00	154.35	161.70	169.05	176.40
E-4	117.60	124.95	132.30	139.65	147.00	154.35
E-3	95.55	102.90	110.25	117.60	124.95	132.30
E-2	82.50	90.00	97.50	105.00	112.50	120.00
E-1 Over 4 mo.	80.00	87.50	95.00	95.00	95.00	95.00
E-1 Less 4 mo.	75.00	.....	.....	.....	.....	.....

PAY GRADE	CUMULATIVE YEARS OF SERVICE					
	Over 14	Over 16	Over 18	Over 22	Over 26	Over 30
O-8	926.25	926.25	926.25	926.25	926.25	954.75
O-7	769.50	769.50	769.50	769.50	798.00	826.50
O-6	570.00	584.25	612.75	641.25	669.75	698.25
O-5	484.50	498.75	527.25	555.75	584.25	584.25
O-4	441.75	456.00	484.50	498.75	513.00	513.00
O-3	399.00	413.25	427.50	441.75	441.75	441.75
O-2	349.13	349.13	349.13	349.13	349.13	349.13
WARRANT OFFICERS						
W-4	392.85	407.40	421.95	436.50	451.05	465.60
W-3	327.38	334.65	349.20	363.75	378.30	392.85
W-2	283.73	291.00	305.55	320.10	334.65	349.20
W-1	247.35	254.63	269.18	283.73	298.28	298.28
ENLISTED PERSONS						
E-7	242.55	249.90	264.60	279.30	294.00	294.00
E-6	213.15	220.50	235.20	249.90	249.90	249.90
E-5	191.10	198.45	213.15	227.85	227.85	227.85
E-4	169.05	176.40	191.10	191.10	191.10	191.10
E-3	147.00	147.00	147.00	147.00	147.00	147.00
E-2	120.00	120.00	120.00	120.00	120.00	120.00
E-1 Over 4 Mos.	95.00	95.00	95.00	95.00	95.00	95.00
E-1 Under 4 Mos.	.....	.....	.....	.....	.....	.....

b. Army and Navy Nurses Base Pay

The annual base pay of female nurses of the Army and Navy shall be as follows:

During first three years of service. . . . .	\$1,080
Beginning of fourth year to end of sixth . . . . .	1,260
" " seventh " " " " ninth . . . . .	1,440
" " tenth " " " " twelfth . . . . .	1,620
" " thirteenth . . . . .	1,800

c. Army and Navy Retirement pay - Nurses

Annual pay of a retired member of the Army Nurse Corps or the Navy Nurse Corps retired for other than physical disability shall be 3 per centum of the

total annual active duty pay which she is receiving at the time of retirement multiplied by the number of complete years of service rendered prior to retirement, but not exceeding 75 per cent of such annual active-duty pay.

d. Army, Navy, Marine, and Coast Guard Warrant Officers' Base Pay

Commissioned warrant officers of Navy, Marines and Coast Guard after ten years' service and masters and chief engineers in the Army Mine Planter Service, shall receive base pay of the third period and corresponding subsistence and rental allowances. After twenty years they shall receive pay and allowance of the fourth period.

1. Warrant officers (Junior Grade) of the Army, except first mates and assistant engineers of the Army Mine Planters Service, and warrant officers of the Navy, Marine Corps, and Coast Guard, shall receive base pay of the first period and corresponding allowances.
2. First mates and assistant engineers of the Army Mine Planters Service shall receive base pay at the rate of \$2,340 per annum and shall receive allowances paid to officers of the first period.
3. Chief Warrant Officers of the Army, except masters and chief engineers in the Army Mine Planter Service, and commissioned warrant officers with less than ten years of commissioned service, of the Navy, Marine Corps, and Coast Guard, shall receive base pay at the rate of \$2,520 per annum and shall be entitled to the money allowances for subsistence and for rental of quarters of the first period. Secretary of War may designate permanent or temporary chief warrant officers of the Army to receive the base pay and allowances of the third and fourth pay periods.

e. Marine Band

Marine band will consist of one leader who shall have pay of a Captain in the Marine Corps; one leader with pay of \$230 per month and the allowances of a Sergeant Major; ten principal musicians with pay of \$180 per month; twenty-five first class musicians with pay of \$150; twenty second-class musicians with pay of \$120 per month; ten third-class musicians with pay of \$102 per month; these musicians of the band will have allowances of a sergeant.

## II. BASIC ALLOWANCES

## 1. Quarters Allowances

## a. All Services

<u>Pay Grade</u>	<u>With Dependents</u>	<u>Without Dependents</u>
O-8	\$150.00	\$120.00
O-7	150.00	120.00
O-6	120.00	105.00
O-5	120.00	90.00
O-4	105.00	82.50
O-3	90.00	75.00
O-2	82.50	67.50
O-1	75.00	60.00
W-4	105.00	82.50
W-3	90.00	75.00
W-2	82.50	67.50
W-1	75.00	60.00
E-7	67.50	45.00
E-6	67.50	45.00
E-5	67.50	45.00
E-4 (7 or more years <sup>1</sup> service) 1	67.50	45.00
E-4 (less than 7 years <sup>1</sup> service) 1 2	45.00	45.00
E-3 2	45.00	45.00
E-2 2	45.00	45.00
E-1 2	45.00	45.00

b. Army, Navy, Marines, Coast Guard  
(Quarters and Subsistence Allowances)

Each enlisted man not furnished quarters or rations in kind shall be granted an allowance for quarters and subsistence, the value of which shall depend on the conditions under which the duty of the man is being performed, and shall not exceed \$5.00 per day. Subsistence for pilots shall be paid in accordance with existing regulations, and rations for enlisted men may be commuted as authorized by law. Midshipment of the Naval Reserve when not furnished quarters or subsistence in kind shall be granted the same allowance for quarters and subsistence as is granted to enlisted men not furnished quarters or rations in kind.



Enlisted men shall continue to receive allowances for quarters and subsistence shall continue while their permanent stations remain unchanged, to receive such allowances while sick in hospital or absent from their permanent-duty stations in a pay status.

Enlisted personnel not receiving allowances for subsistence shall be entitled to commutation in lieu of rations while on furlough or authorized leave or when authorized to mess separately.

**2. Nurses Allowances**

**a. Army and Navy**

Superintendents of the Nurse Corps shall receive pay at the rate of \$2,500 a year; assistant superintendents, directors, and assistant directors at the rate of \$1,500 a year; and chief nurses at the rate of \$600 a year--in addition to their base pay as nurses. Nurses receive subsistence and rental allowances of officers receiving pay of the first period.

**3. Subsistence**

**a. All Services**

Officers. . . . .	\$42.00 per month
Enlisted persons when rations in kind are not available	\$2.25 per day
Enlisted persons when permission to mess separately is granted . . . . .	\$1.05 per day
Enlisted persons when assigned to duty under emergency conditions where no Government messing facilities are available -- Not to exceed . . . . .	\$3.00 per day

**III. SPECIAL PAYS****1. Hazardous Duty**

Subject to such regulations as may be prescribed by the President, members of the uniformed services entitled to receive basic pay shall, in addition thereto, be entitled to receive incentive pay for the performance of hazardous duty required by competent orders. The following duties shall constitute hazardous duties:

- (1) Duty as a crew member as determined by the Secretary concerned, involving frequent and regular participation in aerial flight.
- (2) Duty on board a submarine, including submarines under construction from the time builders' trials commence.
- (3) Duty involving frequent and regular participation in aerial flights not as a crew member pursuant to part (1) of this subsection.
- (4) Duty involving frequent and regular participation in glider flights.
- (5) Duty involving parachute jumping as an essential part of military duty.
- (6) Duty involving intimate contact with persons afflicted with leprosy.
- (7) Duty involving the demolition of explosives as a primary duty, including training for such duty.
- (8) Duty at a submarine escape training tank, when such duty involves participation in the training.
- (9) Duty at the Navy Deep Sea Diving School or the Navy Experimental Diving Unit, when such duty involves participation in training.

**INCENTIVE PAY SCALE - Hazardous Duty**

<u>Pay Grade</u>	<u>Monthly Rate</u>	<u>Pay Grade</u>	<u>Monthly Rate</u>
O-8	\$150.00	W-2	\$100.00
O-7	150.00	W-1	100.00
O-6	210.00	E-7	75.00
O-5	180.00	E-6	67.50
O-4	150.00	E-5	60.00
O-3	120.00	E-4	52.50
O-2	110.00	E-3	45.00
O-1	100.00	E-2	37.50
W-4	100.00	E-1	30.00
W-3	100.00		

For the performance of any hazardous duty as prescribed in parts (3) to (9) inclusive above by officers and enlisted persons qualifying for the incentive pay authorized pursuant to said subsection, officers shall be entitled to be paid at the rate of \$100 per month, and enlisted persons shall be entitled to be paid at the rate of \$50 per month.

The President may, in time of war, suspend the payment of incentive pay for the performance of any or all hazardous duty.

No aviation cadet shall be entitled to receive any incentive pay authorized pursuant to this section.

No member of the uniformed services shall be entitled to receive more than one payment of any incentive pay authorized pursuant to this section for the same period of time during which he may qualify for more than one payment of such incentive pay.

2. Flight Pay

a. Army, Navy, Marine, Coast Guard

President is authorized, in his discretion, to suspend the extra pay allowed to Commissioned officers, Warrant officers, and enlisted men of the Army, Navy, Marine Corps, and Coast Guard while on flying duty and to distinguish between degrees of hazard in various types of flying duty and make different rates of pay applicable thereto.

b. All Services

Officers, Warrant officers, nurses, and enlisted men shall receive an increase of 50 per cent of their pay when required to participate regularly and frequently in aerial flights.

Any officer, Warrant officer, or enlisted man of the Army, Navy, Marine Corps or Coast Guard not in flying-pay status, for whom parachute jumping is an essential part of his duty and who has a rating as a parachutist or is undergoing training for such a rating, shall receive while on parachute duty additional pay at the rate of \$100 per month in the case of any officer or Warrant officer and \$50 per month in the case of an enlisted man.

Retainer Pay or Retired Pay

Enlisted men of the Navy and Marine Corps who were transferred to the Fleet Reserve prior to October 1, 1940, after completion of 16 or 20 years of service, and all such transferred members who were retired prior to 1 October 1940, shall be entitled to retainer pay or retired pay computed on the basis of the rates of base pay and longevity pay.

4. Diving Duty

a. All Services

An enlisted person assigned to the duty of diving shall, in addition to basic pay, be entitled to receive special pay, at the rate of not less than \$5 per month and not exceeding \$30 per month.

Members of the uniformed services employed as divers in depths of over 90 feet, or in depths of less than 90 feet, when the office in charge shall find that extraordinary hazardous conditions exist, shall, in addition to basic pay, be entitled to receive the sum of \$5 per hour for each hour or fraction thereof while so employed.

Sea and Foreign Duty

a. All Services

Enlisted persons while on sea duty or while on duty in any place beyond the continental limits of the United States or in Alaska, be entitled to receive pay at the following monthly rates:

<u>Pay Grades</u>	<u>Monthly Rates</u>	<u>Pay Grades</u>	<u>Monthly Rates</u>
E-7	\$22.50	E-3	\$9.00
E-6	20.00	E-2	8.00
E-5	16.00	E-1	8.00
E-4	13.00		

6. Qualification Pays

a. Army

During World War II and for six months thereafter, any enlisted man of the combat ground forces of the Army who is entitled, under regulations prescribed by the Secretary of War, to wear the expert infantryman badge or the combat infantryman badge, shall be paid additional compensation at the rate of \$5 per month when he is entitled to wear the expert infantryman badge and at the rate of \$10 per month when he is entitled to wear the combat infantryman badge; Provided, that additional compensation for both awards may not be paid at the same time.

**b. Army, Navy, Marines, Coast Guard**

Under such regulations as the President may prescribe, enlisted men of the Army, Navy, Marine Corps, and Coast Guard may receive additional compensation not less than \$1 nor more than \$5 per month for special qualification in the use of the arm or arms which they may be required to use.

**7. Re-enlistment Bonus**

**a. All Services**

Members of the uniformed services who enlist within three months from the date of their discharge or separation, shall be paid a lump sum reenlistment bonus of \$40, \$90, \$160, \$250, or \$360 upon enlistment for a period of two, three, four, five or six years, respectively; and, upon enlistment for an unspecified period of time amounting to more than six years a lump sum reenlistment bonus of \$360 shall be paid, and upon the completion of six years' enlisted service in such enlistment, for each year thereafter a lump sum payment of \$60 shall be made, subject to the limitation that the total amount paid shall not exceed \$1,440. No reenlistment bonus shall be paid for more than four enlistments entered into after the effective date of this section.

**8. Physicians and Dentists**

**a. All Services**

In addition to any pay, allowances, special or incentive pays that they are otherwise entitled to receive, commissioned officers (Physicians & Dentists) shall be entitled to receive special pay at the rate of \$100 per month for each month of active service; Provided, that such sum shall not be included in computing retired pay, disability retirement pay, or any severance pay; and Provided Further, that no commissioned officer, while he is serving as a medical or dental intern, be entitled to receive the special pay of \$100 per month as is provided in this subsection.

#### **IV Special Allowances**

##### **1. Personal Money Allowance**

(a) Officers entitled to receive basic pay shall, while serving in the grade of lieutenant general, vice admiral, or in an equivalent grade or rank, in addition to any other pay or allowance authorized by this Act, be entitled to receive a personal money allowance of \$500 per annum.

(b) Officers entitled to receive basic pay shall, while serving in the grade of general, admiral, or in an equivalent grade or rank, in addition to any other pay or allowance authorized by this Act, be entitled to receive a personal money allowance of \$2,200 per annum.

(c) Officers entitled to receive basic pay shall, while serving as the Chief of Staff of the Army, as the Chief of Naval Operations, as the Chief of Staff of the Air Force, as the Commandant of the Marine Corps, or as the Commandant of the Coast Guard, in lieu of any other personal money allowance authorized by this section, but in addition to any other pay or allowance authorized by this Act, be entitled to receive a personal money allowance of \$4,000 per annum.

##### **2. Dependents' Quarters Allowance**

###### **Title 37, Section 110**

Each enlisted man of the first, second, or third grade in the active military, naval, or Coast Guard having a dependent shall be entitled to receive, for any period during which public quarters are not provided and available for his dependent, the monthly allowance for quarters authorized by law to be granted to each enlisted man not furnished quarters in kind. He shall continue to receive this dependent's allowance even if he is receiving the quarters and subsistence allowance if by reason of orders or competent authority his dependent is prevented from dwelling with him.

##### **3. Clothing Allowance**

President may prescribe the quantity and kind of clothing which shall be furnished annually to enlisted men of the Navy, the Coast Guard, the Naval Reserve, and the Coast Guard Reserve, and he may prescribe the amount of a cash allowance to be paid to such enlisted men in any case in which clothing is not so furnished to them.

##### **4. Enlistment Allowance**

During war or national emergency an enlistment allowance equal to that provided for enlisted men of Navy, Marine Corps, and Coast Guard shall be paid to every honorably discharged enlisted man who reenlists within 24 hours after discharge.

#### IV Special Allowances (Continued)

##### 5. Re-Enlistment Allowance

Enlistment allowance equal to \$50, multiplied by the number of years served in the enlistment period from which he has last been discharged, shall be paid to every honorably discharged enlisted man of the first three grades who reenlists within a period of three months from the date of his discharge, and an enlistment allowance of \$25, multiplied by the number of years served in the enlistment period from which he has last been discharged, shall be paid to every honorably discharged enlisted man of the other grades who reenlisted within a period of three months from the date of his discharge. Provisions suspended during war.

##### 6. Travel and Transportation Allowances

Sec. 303. (a) (2) The travel and transportation allowances which shall be authorized for each type of travel shall be limited to one of the following:

(1) Transportation in kind, reimbursement therefor, or a monetary allowance in lieu of cost of transportation at a rate not in excess of 7 cents per mile based on distances established or to be established over the shortest usually traveled routes.

(2) Transportation in kind, reimbursement therefor, or a monetary allowance as provided in (1) above, plus a per diem in lieu of subsistence not to exceed \$9 per day, or

(3) For travel within the continental limits of the United States a mileage allowance of not exceeding 10 cents per mile based on distances established or to be established pursuant to existing law; PROVIDED, That the travel and transportation allowances under conditions authorized herein for such members may be paid on separation from the service, or release from active duty, regardless of whether or not such member performs the travel involved.

(b) Without regard to the monetary limitations in this Act, the Secretaries of the uniformed services may authorize the payment to members of the uniformed services on duty outside the continental U.S. or in Alaska, whether or not in a travel status, of a per diem considering all elements of cost of living to members and their dependents, including the cost of quarters, subsistence, and other necessary incidental expenses: Provided, That dependents shall not be considered in determining per diem allowances for members in a travel status.

(c) In addition to the allowances authorized above, under such conditions and limitations and for such ranks, grades, or ratings and to and from such locations as may be prescribed by the Secretaries

concerned, members of the uniformed services when ordered to make a change of permanent station shall be entitled to transportation in kind for dependents or to reimbursement therefor, or to a monetary allowance in lieu of such transportation in kind at a rate to be prescribed not in excess of the rate authorized in subsection (a) of this section, and in connection with a change of station (whether temporary or permanent), to transportation (including packing, crating, drayage, temporary storage, and unpacking) of baggage and household effects, or reimbursement therefor, to and from such locations and within such weight allowances as may be prescribed by the Secretaries, without regard to the comparative costs of the various modes of transportation.



VII. Death Benefits

a. Army

The U. S. shall pay the necessary expenses for recovery of the body, its preparation for burial, including the use of such of the uniform and articles of clothing issued to him as may be required, interment (or cremation if requested by his relatives), and transportation of his remains, including round-trip transportation and subsistence of an escort, to his home or the place where he received orders for the period of training upon which engaged at the time of his death, or to such other place as his relatives may designate provided the distance to such other place be not greater than the distance to his home; Provided, that when the expenses of the recovery, preparation, and disposition of remains herein authorized, or any part thereof, are paid by individuals, such individuals may be reimbursed therefore at an amount not exceeding that allowed by the Government for such services.

Reserve officers or enlisted men on active duty also are entitled to receive pensions, compensation, retirement pay, and hospital benefits.

Upon the death of an officer or enlisted man on active duty, the Army shall cause to be paid to the widow, and if there be no widow to the child or children, and if there be no widow or child to any other dependent relative of such officer or enlisted man, an amount equal to six months' pay at the rate received by such officer or enlisted man at the date of his death.

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**XIX. Prestige Factors**

**a. All Services**

Officers retired from active service shall be entitled to wear the uniform of the rank on which they may be retired.

**RIGHT TO USE WARTIME TITLE: RIGHT TO WEAR UNIFORM OF WARTIME GRADE**

All persons who have served honorably in the Army of the United States during war shall, when not in the active military service of the United States, be entitled to bear the official title and upon occasions of ceremony to wear the uniform of the highest grade held by them during their war service.

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**XX. Reserve System**

**1. Pay and Allowances**

**a. All Services**

Officer, warrant officers, and enlisted men of the reserve forces of Army, Navy, Marine Corps, Coast Guard, Coast and Geodetic Survey, and Public Health Service, when on active duty in the service of the United States, shall be entitled to receive the same pay and allowances as are authorized for persons of corresponding grade and length of service in the Regular Army, Navy, Marine Corps, Coast Guard, or Public Health Service.

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January 10, 1952

Supplement To Task Force Report on Career Benefits  
In Federal Agencies

Basic Pay

There are seven classes of Foreign Service Officers, including the class of career minister. The per annum salary of a career minister shall be \$13,500. The per annum salaries of Foreign Service officers within each of the other classes shall be as follows:

Class 1, \$12,400, \$12,800, \$13,200, \$13,500;  
 Class 2, \$10,330, \$10,350, \$10,700, \$11,050, \$11,400, \$11,750, \$11,900;  
 Class 3, \$8,330, \$8,630, \$8,930, \$9,230, \$9,530, \$9,830, \$10,130, \$10,230;  
 Class 4, \$6,330, \$6,630, \$6,930, \$7,230, \$7,530, \$7,830, \$8,130, \$8,230;  
 Class 5, \$4,830, \$5,930, \$5,230, \$5,430, \$5,630, \$5,830, \$6,030, \$6,230;  
 Class 6, \$3,630, \$3,830, \$4,030, \$4,230, \$4,430, \$4,730.

A person appointed as a Foreign Service officer of class 6 shall receive salary at that one of the rates provided for that class by section 412 which the Secretary shall, taking into consideration his age, qualifications, and experience, determine to be appropriate for him to receive.

A person appointed as a Foreign Service officer of classes 1 through 5, inclusive, shall receive salary at the minimum rate provided for the class to which he has been appointed.

Retirement BenefitsU.S.P.H.S.

Same as U. S. Army--non contributory

The Foreign Service

Contributory--5% of salary. Normal retirement at age 60 unless officer has been "selected out" under the promotion system or retire voluntarily at age 50 after reaching age 50, or for physical disability. Maximum pension is 60% of average of last five years of service. Extra credit (a year and a half for each year of service at posts in which climate or other "extreme conditions" are determined to exist.

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Health and Welfare Benefits

U.S.P.H.S.

Free medical care at USPHS installations for officers and dependents, or at military installations when attached thereto.

Prestige Factors

U.S.P.H.S.

High standing in the medical professions. Considered mark of distinction to be member of the Commissioned Service (as compared with being a "civil service doctor") also high repute enjoyed in Sanitary Engineering Program. High esprit de corps within the organization.

Reserve System

U.S.P.H.S.

Reserve corps with identical privileges as regulars when on active duty--only major difference is that Reserves are covered by general civil service retirement rather than special Commissioned Corps provisions. Reserve Corps highly utilized--more than one-third now on duty are Reserves.

The Foreign Service

Medical care at government expense overseas and in U.S. for officer but not dependents.

The Foreign Service

Prestige has varied according to time and events. Normally an officer of the "diplomatic and consular corps" enjoys high social and professional prestige at home and abroad. Esprit de corps generally good, particularly since appointment of several ambassadors and ministers from the ranks of the Foreign Service.

The Foreign Service

Reserve Corps with identical benefits as regular FSO's. Reserves highly utilized during World War II, and currently.

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25 January 1952

TO : Career Service Committee

FROM : Working Group on Career Benefits

SUBJECT: Health insurance benefits

1. In the recent report to the DCI concerning the progress of the Career Service Committee and its various working groups, there was included a tab relating to career benefits. The last item of that tab was entitled "Better Group Health Insurance". It was indicated that the matter was under study by the Government Employees Health Association.

2. It is the firm belief of this working group that in order to induce employees of CIA to become a part of the career development program (through signifying in writing their intent to regard employment with CIA as a career) there should be specific and tangible benefits to which CIA could point. It appears fundamental that in order to request something special and extra from employees CIA should offer something special and extra in return.

3. In our opinion experience has demonstrated that CIA employees as a group are better insurable risks in the field of medical care and hospitalization than the average group. The probable reasons for such favorable experience are careful physical examinations prior to employment, younger average age, higher average educational level, and medical benefits available under the Federal Employees Compensation Act and P. L. 110. Viewed solely in the light of an insurance proposition, experience to date would indicate that health insurance for CIA should be on a broader basis with respect to benefits available for comparable premium rates charged other groups.

4. In addition to actual insurance factors, there should be considered very seriously the question of whether in some manner CIA could assist or subsidize a health insurance program. A well thought out program of this nature would be a tangible benefit which CIA could "lay on the line" as an inducement for employees to enter CIA on a career basis.

5. It is our understanding that the Board of Directors of GEHA presently is studying insurance benefits and is seeking the advice of an experienced professional in the insurance field. We wish avoid duplication of effort on its part and by this working group.

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Therefore, it is recommended that the deliberations of these two groups be fully coordinated. Our working group is available at any time for discussion and consultation on the subject. On an informal basis, this problem has been discussed both with [ ] and with Mr. Meloon, who are Directors of GEHA.

6. It is our understanding that the Personnel Office is drafting a tentative agenda to be considered by the above-mentioned consultant. Having this in mind, this working group is preparing suggestions in the field of medical care and hospitalization. The suggestions will be made available for your consideration subsequent to our regular meeting on 31 January 1952.

7. It is further recommended that this memorandum be forwarded to the Board of Directors of GEHA with the concurrence and endorsement of the Career Service Committee.

/s/ John S. Warner

JOHN S. WARNER  
Assistant General Counsel

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Board of Directors, GEHA

Attention:  25X1A9A

8 February 1952

Working Group on Career Benefits

Improved Health Insurance Benefits

1. By memorandum dated 25 January 1952, this Working Group set forth certain of its views with respect to improved health insurance benefits. That memorandum was addressed to the Career Service Committee with a recommendation that it be forwarded to the Board of Directors of GEHA with the concurrence and endorsement of the Career Service Committee. It is our understanding that the Career Service Committee accepted our recommendation.

2. In the meantime this Working Group requested two of its members to draw up a more specific proposal relating to health insurance and medical benefits. Attached hereto is the proposal which was presented to the Working Group for approval. It was generally agreed that there was considerable merit to the specific suggestions in the proposal; however, the Working Group did not feel that it could concur in the proposal as presented. For example, certain members felt that the improved health insurance described in some detail in Tab I of the proposal should be available to all members of CIA.

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3. The Medical Office, represented by  made further comments on the specific proposals in Tab I, which confirmed the fact that a considerable amount of detailed scrutiny should be given the various types of benefits which are specified. Therefore, the proposal as drawn up cannot in any sense be considered a final recommendation.

4. In order that the Board of Directors of GEHA may have available to it some of the Working Group's thoughts, we are forwarding at this time the proposal prepared by two of the members. It is hoped that the suggestions will be of assistance to the Board of Directors. Further, it is requested that in an appropriate manner the views of the Board of Directors of GEHA and those of the Working Group can be exchanged in order to evolve a plan which will represent the coordinated views of those concerned.

JOHN S. WARNER  
Chairman

OGC/JSW:aia

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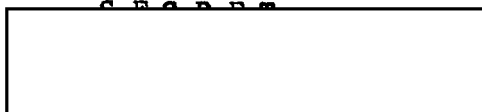
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Enclosure:

Proposal entitled HEALTH INSURANCE  
AND MEDICAL BENEFITS

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HEALTH INSURANCE AND MEDICAL BENEFITS

1. This Working Group has addressed itself to the subject of Health Insurance and Medical Benefits with the intent of recommending benefits primarily for members of the "Career Development Program." This is based on the belief that the Agency must provide specific advantages to members of this program over and above those inherent in a well-managed personnel program, and available to the balance of CIA employees.

2. The Working Group considered complete medical care and hospitalization for CIA career employees and their dependents similar to the medical care given members of the Armed Services. As no precedent exists for providing such care to civilians, and as legislation would be required for its adoption by the Agency, it was deemed impractical of further consideration at this time. However, the Working Group recommends that after the career program has been in operation long enough to have proven sound, the Agency examine the desirability and practicality of providing full medical care and hospitalization for CIA career employees and their dependents.

3. The Federal Employees Compensation Act provides for permanent disability benefits for CIA employees where the disability results from the performance of official duties. Also, disability retirement for cases not coming under the Compensation Act is provided for under the Civil Service Retirement Act. The amount of the annuity is based on the employee's salary and length of service. New legislation would be required to extend the coverage of the Compensation Act to disabilities not resulting from the performance of official duties. Therefore, this additional coverage is not recommended for consideration at this time, but should be reexamined after the career program has been in operation.

4. The Working Group feels that it is desirable to continue health insurance along the lines of Government Employees Health Association, or Group Hospitalization Insurance, for all CIA employees. However, it believes that more liberal benefits at substantially the same premiums should be provided for members of the "Career Development Program." (See Tab I.) This would be a concrete benefit to the members. This is attainable without legislation and could be put in operation immediately by the Agency itself by providing sufficient unvouchered funds to capitalize GEHA. These funds could be repaid to the Agency as premiums accumulated. It is recommended that this be adopted.

5. It is further recommended that the Medical Office provide a complete annual physical examination for each member of the Career Development Program. Where possible provision should be made for local examination of members who are away from Washington for extended periods. Where this is not possible, these members should be examined as soon as they return to an area where examining facilities exist. This is attainable without legislation.

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TAB I

After considering the present GEHA plan, it is recommended that in all categories the available benefits be approximately doubled with no additional premium cost. Specifically the benefits would be as follows:

## I. HOSPITAL BENEFITS

- A. In lieu of the present \$6.00 per day for a maximum of 31 days, the benefit would be \$12.00 per day for a maximum of 31 days.
- B. The hospital extras which are authorized by GEHA for payment up to \$30.00 would become \$60.00, or the actual cost thereof with no limitation if this were deemed feasible.
- C. The present maternity benefits with respect to hospitalization provide for \$6.00 per day, not to exceed 14 days. It is recommended that this be changed to \$12.00 per day for 7 days, except that if additional complications occur, documented by the attending physician, requiring further hospitalization, the benefits available under (A) would apply.
- D. The additional maternity benefits to be authorized hereunder are similar to the hospital extras under (B), and the same recommendation applies.

## II. MEMBER AND DEPENDENT SURGICAL BENEFITS

The Working Group felt that as an ultimate goal, it would be desirable if the actual costs for surgical fees could be afforded as a benefit with possible modifications, such as paying a percentage of actual costs or having the employee pay an initial flat amount prior to any benefits from the fund. Since experience factors are not available, this was not deemed feasible at the present time. In lieu of such ultimate benefits, the Working Group recommends that each reimbursement for surgical fees stated in the present GEHA plan be doubled. It is believed that the experience factor to date will warrant such benefits. It is recognized, of course, that the entire list of operations should be scrutinized by medical personnel since a doubled reimbursement would not necessarily be appropriate in all cases.

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### III. SURGICAL FEES FOR MATERNITY

It is recommended that each of the fees specified to be reimbursable be doubled.

### IV. BENEFITS FOR DEPENDENTS

The benefits specified under this heading are similar to those already listed under surgical benefits, and the recommendations thereunder apply here.

### V.

There should be developed within GEHA a procedure whereby advance payments could be made to avoid the hardship on employees of necessarily paying the hospital and doctor prior to receiving reimbursement from GEHA.

### VI.

The Working Group considered the matter of reimbursement for out-patient fees. While it is recognized that this would be desirable, it is believed that this matter should be postponed for study at a later date.

### VII.

The Working Group recommended that in addition to all other benefits there be provided reimbursement for drugs and medicine which were prescribed by the attending physician for any one illness. The amount payable would be any charges for such drugs and medicine in excess of \$25.00.

### VIII.

The matter of benefits for dental service was considered. The Working Group recommends that no action be taken at this time.

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